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## National Flood Insurance Program – Challenges and Solutions (with examples)

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The community of southern Louisiana supports a sustainable, fiscally responsible National Flood Insurance Program that protects the businesses and homeowners who built according to code and have followed all applicable laws. However, changes made to the NFIP in the Biggert-Waters Act of 2012 threaten to harm the very citizens the program was designed to protect.

### Current Challenges

Two major issues affecting the price of flood insurance are causing grave concern to particular areas in South Louisiana and across coastal and coastal and riverine areas across the country:

1. **Phase-Out of Grandfathering and Subsidized Rates** - The Biggert-Waters Act of 2012, which reauthorized and made substantive changes to the National Flood Insurance Program (NFIP), phases out grandfathering. That is, properties that were built in accordance with all FEMA required elevations and applicable codes at that time may now be considered out of compliance, through no fault of their own, due to new flood mapping. For example, a homeowner who built at the proper FEMA required elevation has found out their flood insurance will increase from \$600 to \$28,000 per year – effectively making their home uninsurable, and worthless on the market.
2. **“All or Nothing” Protection** – New FEMA maps, which outline base flood elevation changes, do not currently recognize protection offered by unaccredited (less than 100 year protection) levees, or other elements (e.g., pumps) at all. For example, if a levee only offers 50-year protection, the property protected by this levee is considered as having no protection.

### Potential Impacts

- Home values go to zero; homeowners lose everything
- Property assessments go to zero; parishes lose tax revenue
- Bank mortgages go into default; banks are left with worthless assets
- The NFIP program, itself, goes into a “death spiral” as people leave the program
- The communities and economies of southeast Louisiana – and all of coastal and riverine America – will be made unviable

### Possible Solutions

- Congress can amend the Biggert-Waters Act:
  - To reinstate grandfathering of properties (not policies) that were built to code, have maintained insurance, have not repeatedly flooded, etc.
  - To reflect an economically reasonable and slower increase in rates to actuarial rates
- FEMA can work with local stakeholders to continue to develop and refine maps to accurately reflect flood risk in each affected community by taking into account non-accredited levees and other features that afford flood protection

**Examples**

Catherine Porterhouse  
113 Dixie Drive  
Des Allemands, LA 70030

Current Flood Coverage: \$200,000 structural/  
\$80,000 contents  
Last Premium Paid: \$388.00

**New Premium: \$23,946** (based on -6 elevation)



Robert and Lisa Taylor  
104 Bayou Estates South  
Des Allemands, LA 70030

Current Flood Coverage: \$250,000 structural/  
\$100,000 contents  
Last Premium Paid: \$365.00

**New Premium: \$28,554** (based on -6 elevation)



Bill Bubrig  
14272 Highway 23  
Belle Chasse, LA 70037

Current Flood Coverage: \$250,000 structural/  
\$100,000 contents  
Last Premium Paid: \$633.00

**New Premium: \$28,554** (based on -6 elevation)

